

Message Text

LIMITED OFFICIAL USE

PAGE 01 STATE 047195
ORIGIN EB-08

INFO OCT-01 EUR-12 ISO-00 L-03 SSO-00 INRE-00 CAB-02
CIAE-00 COME-00 DODE-00 DOTE-00 INR-10 NSAE-00
FAA-00 SS-15 SP-02 NSCE-00 /053 R

DRAFTED BY EB/OA/AVP:GGRIFITHS:SP
APPROVED BY EB/TA:JRATWOOD
EB/OA/AVP:AJWHITE
EUR/NE:SWORREL

-----005144 232114Z /41

O 232059Z FEB 78
FM SECSTATE WASHDC
TO AMEMBASSY LONDON IMMEDIATE

LIMITED OFFICIAL USE STATE 047195

E.O. 11652: N/A

TAGS: EAIR, UK

SUBJECT: CIVAIR: POSSIBLE USE OF UNAPPROVED FARES

REF: LONDON 02844

1. PATRICK SHOVELTON TELEPHONED JULES KATZ ON FEBRUARY 21 TO DISCUSS PAN AM AND TWA BUDGET AND STANDBY FARES SCHEDULED TO BECOME EFFECTIVE ON OR ABOUT FEBRUARY 24. SHOVELTON, WHO WAS HIGHLY AGITATED MADE SAME POINTS MADE BY IAN BROWN AS REPORTED REFTEL. SHOVELTON ALSO DISCUSSED POSSIBILITY OF DETAINING PAN AM AND TWA PLANES IF THESE FARES WERE FLOWN. IN ADDITION, SHOVELTON ALSO CLAIMED THAT FARES IN QUESTION HAD NOT BEEN FILED WITH THE UK.

2. DEPARTMENT QUICKLY REVIEWED FACTUAL SITUATION WITH
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 STATE 047195

PAN AM AND TWA. INFORMATION PROVIDED TO DEPARTMENT INDICATED THAT PAN AM HAD FILED TARIFFS IN QUESTION ON JANUARY 11 AND 12, AND TWA HAD FOLLOWED SUIT ON JANUARY 13. THIS INFORMATION SEEMINGLY CONFIRMED BY BRITISH NOTICE OF DISSATISFACTION CONTAINED IN BRITISH EMBASSY LETTER DATED JANUARY 25 WHICH REFERS TO THE FILINGS OF

PAN AM AND TWA OF JANUARY 11 AND 12, AND JANUARY 13 RESPECTIVELY. IN ADDITION, BRITISH CAA SENT LETTER TO TWA IN LONDON, DATED JANUARY 26, IN WHICH IT REFERS TO THE TWA FILINGS OF JANUARY 13. THIS FACTUAL DISCREPANCY NOTWITHSTANDING, DEPARTMENT NOTIFIED PAN AM AND TWA THAT THEY SHOULD NOT REPEAT NOT CARRY TRAFFIC ON THESE FARES BEGINNING FEBRUARY 23-24. KATZ THEN TELEPHONED SHOVELTON LATER ON FEBRUARY 21 TO CONVEY THIS INFORMATION.

3. PAN AM INDICATED IT WOULD NOT FLY PASSENGERS ON THESE FARES. HOWEVER, AFTER A VERY HIGH LEVEL CORPORATE MEETING, ON FEBRUARY 22, TWA DECIDED IT WOULD FLY THESE FARES ON FEBRUARY 24 UNLESS IT RECEIVED SOME FORM OF FORMAL NOTIFICATION FROM EITHER THE BRITISH GOVERNMENT OR THE USG THAT THESE FARES HAD NOT BEEN OFFICIALLY APPROVED. IT WAS DETERMINED THAT SHOVELTON'S PHONE CALL OF FEBRUARY 21, AND A FEBRUARY 21 EVENING PHONE CALL FROM THE BRITISH AMBASSADOR TO UNDER-SECRETARY COOPER, WERE SUFFICIENT TO CONSTITUTE FORMAL DIPLOMATIC NOTIFICATION THAT THE FARES HAD NOT BEEN APPROVED. TWA WAS NOTIFIED THAT THE STATE DEPARTMENT WOULD PROVIDE IT WITH A LETTER PROVIDING THE FORMAL NOTIFICATION WHICH TWA WAS SEEKING.

4. AT THE SAME TIME, LORD BRIDGES REQUESTED AN APPOINTMENT LATE AFTERNOON FEBRUARY 22 WITH JAMES ATWOOD, LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 STATE 047195

DEPUTY ASSISTANT SECRETARY FOR TRANSPORTATION AFFAIRS, TO REITERATE THE BRITISH GOVERNMENT POSITION RE PAN AM AND TWA FLYING THESE FARES ON FEBRUARY 23 AND 24. HE STRESSED MOST EMPHATICALLY HIS UNDERSTANDING FROM LONDON WAS THAT THE FARES IN QUESTION HAD NEVER BEEN FILED WITH THE UK GOVERNMENT AND THAT THE VERY INTENSE REACTION FROM LONDON WAS RELATED IN PART TO THIS FACT. LORD BRIDGES ALSO SHOWED US A COPY OF A TELEX WHICH HAD BEEN SENT TO THE PRESIDENT OF TWA FROM THE UK DEPARTMENT OF TRADE ON FEBRUARY 22 REPEATING THE BRITISH INTENTION THAT THE FARES HAD NEVER BEEN FILED AND STRESSING THE DIRE CONSEQUENCES WERE TWA TO FLY THE FARES BEGINNING FEBRUARY 24. WE RESPONDED THAT THERE SEEMED TO BE SOME DEGREE OF CONFUSION REGARDING THE FACTS OF THE FILINGS BUT THAT IN ANY CASE PAN AM AND TWA SHOULD NOT FLY THE FARES UNTIL THE BRITISH GOVERNMENT HAD APPROVED THEM. WE STRESSED THE USG SUPPORT OF THESE FARES AND OUR CONCERN THAT THE BRITISH GOVERNMENT DID NOT SEEM PREPARED ON THE BASIS OF RECENT INDICATIONS, TO APPROVE THESE FILINGS.

5. THE DEPARTMENT THEN ON FEBRUARY 23, SENT A LETTER

TO THE PRESIDENT OF TWA ADVISING QUOTE THAT IT IS THE VIEW OF THE U.S. GOVERNMENT THAT TWA SHOULD NOT CARRY PASSENGERS ON THESE FARES UNLESS AND UNTIL THE BRITISH GOVERNMENT APPROVES THEM. TO DO OTHERWISE WOULD BE A VIOLATION OF THE US-UK AIR SERVICES AGREEMENT OF JULY 23, 1977. WE REGRET HAVING TO STATE THIS POSITION, AND WE REGRET THAT THE BRITISH GOVERNMENT HAS DECLINED THUS FAR TO APPROVE YOUR PROPOSED FARES. WE WILL CONTINUE OUR EFFORTS TO SECURE THEIR ULTIMATE ACCEPTANCE BY THAT GOVERNMENT. UNQUOTE TWA HAS CONFIRMED TO THE DEPARTMENT THAT IT WILL NOT RPT NOT FLY THESE FARES ON' FEBRUARY 24.

6. DEPARTMENT HAS REQUESTED PAN AM AND TWA TO PROVIDE LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 04 STATE 047195

COPIES OF THE APPROPRIATE FILINGS EACH AIRLINE MADE WITH THE UK. AT THIS POINT, IT SEEMS TO US THAT THE BRITISH SEEM TO BE IN ERROR IN CLAIMING THAT THE FILINGS WERE NOT MADE. WHILE SETTING THE FACTUAL RECORD STRAIGHT WILL NOT REALLY AFFECT THE SUBSTANTIVE QUESTIONS INVOLVED, DEPARTMENT HOPES SOON TO BE ABLE TO DEMONSTRATE THAT ONE MAJOR CAUSE OF THE INTENSE BRITISH CONCERN WAS A FACTUAL ERROR ON THEIR PART. VANCE

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ALLEGATIONS, VIOLATIONS, AIR FARES
Control Number: n/a
Copy: SINGLE
Draft Date: 23 feb 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978STATE047195
Document Source: CORE
Document Unique ID: 00
Drafter: GGRIFFITHS:SP
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780084-0797
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780220/aaaaaran.tel
Line Count: 144
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: ee3508d1-c288-dd11-92da-001cc4696bcc
Office: ORIGIN EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 78 LONDON 2844
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 05 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3500470
Secure: OPEN
Status: NATIVE
Subject: CIVAIR: POSSIBLE USE OF UNAPPROVED FARES
TAGS: EAIR, UK, PANAM, TWA
To: LONDON
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/ee3508d1-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014